



December 2, 2009

The Honorable Max Baucus  
U.S. Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Charles Grassley  
U.S. Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Baucus and Ranking Member Grassley:

I am writing to let you know of our company's support of duty suspension legislation for rayon fiber. Legislation to suspend the duty on rayon fiber was introduced by Senator Kay Hagan and the bill number is S.2402.

Pharr Yarns is a family owned textile company dating back to 1939. Pharr manufactures carpet yarns as well as specialty yarns used in fire protection apparel, industrial protective apparel, and military apparel, including fire-retardant battle-dress uniforms made from FR Rayon currently worn by our troops in Iraq and Afghanistan.

Rayon fiber is a manufactured fiber composed of regenerated cellulose. Generally, in the manufacture of rayon, cellulose derived from wood pulp, cotton linters, or other vegetable matter is dissolved into a viscose spinning solution. The solution is extruded into an acid-salt coagulating bath and drawn into continuous filaments. Groups of these filaments may be made in the form of yarns or cut into staple. Rayon is used in apparel, home furnishings and industrial applications.

Rayon fibers are no longer produced in the United States and are unlikely to be produced here in the foreseeable future. Therefore, an extension of the current duty suspension on these fibers is justified and would continue to improve the international competitiveness of the various industries utilizing these fibers, including the U.S. textile industry. Because all U.S. production of rayon fiber has ceased, continued suspension of this duty should have no adverse consequences for domestic firms or workers and should attract no controversy.

The U.S. textile industry is already facing tremendous market pressures due to the lifting of textile and apparel quotas on imports from China in January 2009. Since the global economic crisis began, China has increased its textile and apparel export subsidies by \$40 billion. If our industry is forced to absorb duties on imported rayon fibers, many of us will be unable to compete and will be forced to exit the market for our product lines that utilize these fibers. If this happens, dozens of plants and thousands of workers across the country will be adversely affected.

We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on this bill.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration of this request.

Sincerely,

Pharr Yarns, LLC

William P. Carstarphen  
President